GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:400
ANSWERED ON:25.02.2000
PRODUCTION OF PAPERS
RAM SHAKAL

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the import of newsprint and other papers is increasing while the indigenous production is falling;

(b) if so, the extent to which the news print and other papers imported during the last three years vis-Ã -vis their indigenous production;

(c) whether the production capacity of the Indian paper mill have fallen during the last three years;

(d) if so, the reasons for increase in the import and decline in the production alongwith the extent to which the exorbitant duty being charged on the imported raw material is responsible for it in comparisons with the final product; and

(e) the steps taken by the Government to help the domestic paper industry?

Answer

THE MINSTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH)

(a) & (b) : No, Sir. The production and import of Paper & Paper board and newsprint during the last three years are as under:-

(In Lakh MT)

Year	Paper & Production	Paper Import	Board Production	Newsprint Import
1996-97	27.69	1.82	3.00	5.47
1997-98	28.22	3.05	4.00	4.98
1998-99	31.38	2.71	5.25	4.27

(c) : No, Sir.

(d): Does not arise.

(e): Government has taken a number of steps to help the domestic paper industry which include:-

(i) Paper And Newsprint Industries have been completely delicensed subject to locational policy.

(ii) Newsprint has been exempted from excise duty.

(iii) Concessional excise duty @ 8% is levied on paper manufactured with not less than 75% non-conventional raw material.

(iv) Excise duty on wood based paper and paper board has been brought down from 18% to 16% during 1999-2000.

(v) There is no custom duty on import of pulp for manufacture of newsprint. However, basic import duty on pulp for manufacture of paper & paperboard and import duty on waste paper is currently 5%.

(vi) To encourage the domestic industry, basic customs duty on imported paper has been increased from 30% to 35%.